



# The Sacramento Bee

## State, local unemployment rates rise

**By Dale Kasler - [dkasler@sacbee.com](mailto:dkasler@sacbee.com)**

***Published 10:10 am PST Friday, January 18, 2008***

California unemployment shot up a half a percentage point last month to 6.1 percent, the highest it's been in more than three years, as the state continued to feel the effect of the housing slump.

Sacramento's unemployment rose three-tenths of a point to 5.9 percent, the Employment Development Department said Friday. It was the highest unemployment Sacramento has seen since March 2004.

There was some confusion about the significance of the statewide figures. Employers across the state added 15,500 jobs in December, a fairly encouraging number. Economists said the state's job market apparently grew even faster, however, pushing up the unemployment rate as thousands of Californians entered the job market.

In any event, the jump in the unemployment rate was severe enough to prompt Gov. Arnold Schwarzenegger to push state agencies to accelerate expenditures of authorized funds. He directed the departments of finance and water resources to speed up the distribution of \$500 million authorized for transportation and levee projects, and told cabinet officers to work with the Legislature to speed the release of \$29 billion in unspent funds from the infrastructure bonds authorized by voters in 2006.

The governor also told the EDD to extend office hours at job assistance centers.

The latest numbers offered more evidence of a softening California economy. Although many sectors added jobs, the financial services and construction industries continued to crumble, shedding 6,200 jobs statewide.

In greater Sacramento, employers reduced payrolls by 300 jobs during the month.

---